

# HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA

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Bradenton, Florida 34205  
(877) 264-0334

## MINUTES November 17, 2016

The Housing Finance Authority of Manatee County convened on the 17<sup>th</sup> day of November, 2016, at the hour of 1:30 p.m. in the second floor conference room of 417 12<sup>th</sup> Street West, Bradenton, Florida.

Present: Paul A. Sharff, Chairman  
James J. Heagerty, Jr., 1<sup>st</sup> Vice Chairman  
Richard M. Pierro, 2<sup>nd</sup> Vice Chairman  
Hugh D. Miller, 3<sup>rd</sup> Vice Chairman  
Frank R. Dodson, III, Secretary/Treasurer  
Angela A. Abbott, Attorney for the Authority  
Mark Hendrickson, The Hendrickson Company  
Don Peterson, Raymond James & Associates, Inc.  
Sue Denihan, eHousing Plus  
Denise Thomas, Manatee County  
Geri Lopez, Manatee County  
David Leon, Esquire, Broad & Cassel  
Claire VanderEyck, Dominionium  
Frank Hogan, Dougherty and Company, LLC

- I. The Chairman, Paul Sharff, opened the public hearing regarding the proposed issuance of not to exceed \$25,000,000, Multifamily Housing Revenue Governmental Lender Notes (River Trace Apartments Project and Manatee Pond Apartments Project) at 1:30 p.m., and acknowledged Proof of Publication of the Notice of Public Hearing. With no comments being received, the Chairman closed the public hearing at 1:31 p.m.
- II. The Chairman, Paul Sharff, called the regular meeting to order at 1:31 p.m., determined the presence of a quorum and acknowledged publication of the Notice of Meeting.
- III. Public Comments: The Chairman called for public comments. Hearing none, public comment was closed.

IV. Motion made by Jay Heagerty, seconded by Rich Pierro and carried unanimously to approve the Consent Agenda as follows:

- A. Minutes of October 11, 2016 meeting
- B. Meeting schedule for 2017
- C. Records Management Compliance Statement for Fiscal Year 2015-2016
- D. Requisition No. 569 for membership and marketing package with Realtor Association of Sarasota and Manatee
- E. Requisition No. 570 for website editing by Green Pony Press, Inc.
- F. Requisition No. 571 for payment of annual dues to National Association of Local Housing Finance Agencies for 2017
- G. Next Meeting: December 8, 2016 or January 10, 2017, at 1:30 p.m. at 417 12<sup>th</sup> Street West, 2<sup>nd</sup> Floor Conference Room, Bradenton, Florida

V. Report of Treasurer, Frank R. Dodson, III:

Mr. Dodson announced that Neil Unruh has left the firm of Shinn and Company. The new auditor assigned to the Authority's account is Angie Oxley. Mr. Dodson and Ms. Abbott have been in communication with Ms. Oxley, and have provided information for the preparation of the audit. Mr. Dodson noted that he has explained the custody account and requisition process to her. As a result of the new auditor, there may be a delay in the issuance of the final report.

Mr. Dodson presented the General Fund Financial Report for October, 2016. He noted that there was revenue of over \$26,000 and expenses of approximately \$6,400. There was no activity in the GNMA trust or the DPA trust during the month. The last page of the report indicates the change in net position. Mr. Pierro thanked Mr. Dodson for preparing the report and noted that he is not compensated for his time as Treasurer. Motion made by Rich Pierro, seconded by Jay Heagerty, and carried unanimously to accept the Treasurer's report into the record.

VI. Discussion Regarding Multifamily Project Programs:

- A. Mr. Hendrickson presented the Financial Advisor's analysis of the application submitted by Bradenton Leased Housing Associates III, LLLP. He indicated that the analysis is to determine whether the application meets the Authority's Guidelines. The Financial Advisors have determined that this application meets the Authority's public purpose and is reasonable. The Financial Advisors also look for anything unusual and any red flags. A full credit underwriting will be performed, which will be a more in depth analysis of the proposal. Mr. Hendrickson stated that the Financial Advisor is recommending that this application be invited into the process, adopt an inducement resolution and continue to credit underwriting. The independent credit underwriter, First Housing, will pull financial information on the developer and the project, and will order a third party appraisal, market study and physical needs assessment to review the adequacy of the proposed

rehabilitation. The project will come back to the Authority for final approval once the credit underwriting is complete. The Financial Advisor thinks that the proposed rehabilitation appears reasonable for a 15 year old project. Further, Mr. Hendrickson stated that this appears to be a good project with a solid developer. Claire VanderEyck introduced herself and stated that Dominion Development is the second largest affordable housing developer in the country and that it has 22 projects in Florida, but it is based in Minnesota. David Leon introduced himself as counsel for Dominion and stated that he has worked on all of its Florida projects. Frank Hogan introduced himself and stated that his company, Dougherty and Company, LLC, is assisting the developer with the financing of the project. Mr. Hendrickson noted that this is structured like a loan. Freddie Mac books the loan, but it is a defacto private placement with Freddie Mac. Raymond James will act in the role of the placement agent. Don Peterson stated that Raymond James has acted in this role on prior transactions. Mr. Dodson questioned the Authority's ongoing fee. Mr. Hendrickson stated that the fee needs to be based on the allocation amount and the original amount of the issue, not the outstanding balance since a large portion of the note will be retired shortly after closing. He also stated that the Land Use Restriction Agreement will run for 50 years, but the Authority's fee will only be guaranteed for approximately a 15 year term if the bonds/lender notes are paid off early. The compliance monitoring fee will be paid by the developer and guaranteed through the term of the LURA. Denise Thomas inquired about the location of the project.

Motion made by Rich Pierro, seconded by Frank Dodson and carried unanimously to approve Resolution 16-03, entitled:

RESOLUTION REGARDING THE OFFICIAL ACTION OF THE HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA RELATIVE TO THE ISSUANCE OF NOT TO EXCEED \$25,000,000 IN INITIAL PRINCIPAL AMOUNT OF ONE OR MORE GOVERNMENTAL LENDER NOTES AND THE ISSUANCE OF TAXABLE DEBT IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$3,000,000 FOR THE PURPOSE OF ACQUIRING, REHABILITATING, EQUIPPING, AND DEVELOPING A MULTIFAMILY RESIDENTIAL HOUSING FACILITY AND SINGLE FAMILY RENTAL HOMES FOR PERSONS OR FAMILIES OF LOW, MIDDLE OR MODERATE INCOME; FURTHER AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BY AND BETWEEN THE AUTHORITY AND BRADENTON LEASED HOUSING ASSOCIATES III, LLLP; AND PROVIDING AN EFFECTIVE DATE.

Motion made by Jay Heagerty, seconded by Frank Dodson and carried unanimously to authorize the release of the development financial feasibility fee paid by the developer to the Financial Advisor.

Denise Thomas added that on December 13, 2016, her department will be making a presentation to the Board of County Commissioners regarding affordable housing. She and Ms. Lopez would like to include information on this project with a photograph, to demonstrate the partnership between the County and the Authority. Mr. Heagerty suggested that Ms. Abbott provide the information included in the Florida ALHFA report, in addition to the annual report information. Ms. Abbott noted that the River Trace/Manatee Ponds project will also appear on the County Commission agenda on December 13<sup>th</sup>, for approval of the TEFRA hearing. Mr. Hendrickson stated that this project is currently an affordable project, but the Land Use Restriction Agreement will be expiring soon. The new financing will allow the rehabilitation and will extend for 50 years the affordability of the project. Mr. Dodson noted that these projects are in Commissioner Smith's district. Mr. Hendrickson stated that Manatee Ponds was originally a farm worker project. The project will be limited to 60% AMI and will receive 4% tax credits. The purchase price of the project is approximately \$18,100,000 and rehabilitation will be approximately \$4,000,000.

VII. Single Family Programs:

A. Status Report of Single Family Loan and Mortgage Credit Certificate Program:

Ms. Abbott presented a report on the status of the Loan and MCC Program. She indicated that three new loans were added to the program this week. The mortgage interest rate on this program is still 3.875% while Florida Housing Finance Corporation's rate is 4.50%. At the last meeting, the Authority asked Ms. Abbott to obtain a quote from bond counsel for amending the program documents to permit conventional loans. Greenberg Traurig has quoted a maximum of \$4,500. Further, the amendment will include adopting a universal mortgage origination agreement which may attract new lenders. Mr. Hendrickson mentioned that the Federal Home Loan Bank down payment assistance program is only available to programs that have a universal mortgage origination agreement. Motion made by Rich Pierro, seconded by Jay Heagerty and carried unanimously to authorize bond counsel to move forward with the drafting of amended documents. Ms. Abbott stated that the amended documents will be presented at the Authority's next meeting, likely in January. Ms. Thomas also asked for information on this program to forward to her participating lenders.

B. Status Report Regarding Collapse of Single Family 2006 Sub Series One Issue:

Ms. Abbott stated that the collapse is currently underway and that the trustee should be sending a notice tomorrow. Tim Wranovix provided an updated

analysis which supports proceeding with the collapse. Don Peterson stated that if the Authority leaves the bonds outstanding, the value of the issue over the remaining life of the bonds will be approximately \$11,000. Under the collapse, the Authority will be purchasing MBSs that are bearing between 5.5% and 6% interest, which will pay between \$36,000 and \$39,000 in interest income to the Authority during the first year, depending on prepayment speeds. There are 16 loans remaining under this program. Mr. Hendrickson stated that the Authority should move forward with the collapse as previously approved.

VIII. Status Report Regarding Request of Habitat for Humanity:

Ms. Abbott stated that she has spoken with Diana Shoemaker, who indicated that a technical assistant has been assigned by Florida Housing Finance Corporation. She is working with the technical assistant. She is still waiting for a final environmental report. At the last meeting, the Authority requested that Ms. Abbott confirm with bond counsel, Steve Sanford, that the proposed loan is an authorized use of funds under the Authority's enabling legislation, which she did. Mr. Hendrickson stated that the pre-development loan program ("PLP") process with Florida Housing Finance Corporation will analyze the proposed project thoroughly. Prior to proceeding with any type of financing, the Authority should wait until the PLP report is finalized.

IX. Motion made by Rich Pierro, seconded by Jay Heagerty and carried unanimously to adjourn the meeting adjourned at 2:06 p.m.

Respectfully submitted:

By: \_\_\_\_\_  
Frank R. Dodson, III, Secretary/Treasurer